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## United Kingdom EU-27

**Post:** London

### **Crop update - EU grain harvest under way following long awaited rain**

**Report Categories:**

Grain and Feed

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**Report Highlights:**

Since the last update in early June, rain has been seen across Europe. While a little late for the likes of Southern France and the barley crop in Germany, it has been particularly welcome and good for grain fill in Northern France, the UK and for the wheat crop in Germany; yield expectations have improved but remain difficult to predict. In these countries, the attention is now turning from yield to quality, the latter reported to be variable. In contrast, in the South East, particularly Bulgaria and Romania, where growing conditions have been, and continue to be, excellent yield expectations are high. Overall, the 2011 EU27 grain crop is forecast marginally higher than previously at just over 277 MMT. That said, the overall MY 2011/12 EU27 grain balance is still forecast to be tight and the focus remains firmly on the EU stock number.

## **General Information:**

### **Introduction**

Unless stated otherwise, data in this report is based on the views of Foreign Agricultural Service analysts in the EU27 and is not official USDA data.

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HA = Hectares

MT = Metric Tonne

MY = Marketing Year. Post and USDA official data both follow the EU27 local marketing year of July to June except for corn which follows an October to September calendar.

TY = July to June for wheat and October to September for coarse grains

### **Executive Summary**

While many parts of the EU27 have experienced good growing conditions this season, and the likes of Bulgaria and Romania excellent growing conditions, the lack of rain in the major producing countries of France, Germany and the UK through March, April and May had been causing considerable concern. The months of June and July have both seen rain across Europe. This has been very timely and beneficial for the EU27 corn crop and has eased some of the concerns for the other grain crops in the aforementioned three countries. That said, it has come a little late for the wheat crop in Southern France and the barley crop in Germany and, given the heaviness of some of the downpours, has increased concerns about lodging in both wheat and barley. The rains have also delayed the start of what would otherwise have been an early harvest in a number of regions, including North Eastern Spain. Where there were previous concerns focused on yield, these have now turned to a focus on quality. Overall, the 2011 EU27 grain crop is forecast marginally higher than previously at just over 277 MMT. Within this total, wheat is put at 134 MMT, barley at 52 MMT and corn 60 MMT. That said, the overall MY2011/12 EU27 grain balance is still forecast to be tight and the focus remains firmly on the EU stock number.

Wheat's price competitiveness for use in feed and the return of Black Sea origin wheat to export markets in MY2011/12 sees wheat usage as feed revised upwards. The latter is at the expense of corn, for which usage is now forecast unchanged despite forecast increased year-on-year EU27 production, and also at the expense of sorghum feed use in the case of Spain. This situation is exacerbated by a forecast reduction in corn imports and a revised expectation that corn stocks will be little changed in MY2011/12.

While uncertainties remain as to when the UK's wheat biofuels plant will reopen and when the one currently under construction will be finished (both with an annual capacity of 1.2 MMT), revisions to forecast and historic food use of wheat

in Greece mean that the upward trend in Food, Seed & Industrial (FSI) is once again forecast to continue in MY2011/12. Although EU27 wheat exports are forecast to fall 7.5 MMT year-on-year, the tightness in the rest of the wheat balance means that EU27 wheat stocks are forecast to remain low.

Combining the corn and wheat outlooks, and with barley stocks still forecast to fall in MY2011/12, the EU27's total grain stock situation remains firmly under the spotlight.

#### PSDs

Wheat EU-27	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Jul 2009		Market Year Begin: Jul 2010		Market Year Begin: Jul 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	25,816	25,815	25,874	25,900	25,918	26,000
Beginning Stocks	18,937	18,937	16,013	16,044	11,672	11,644
Production	138,672	138,806	135,659	135,600	132,124	134,000
MY Imports	5,519	5,519	4,500	4,500	7,500	7,500
TY Imports	5,519	5,519	4,500	4,500	7,500	7,500
TY Imp. from U.S.	545	545	0	0	0	0
Total Supply	163,128	163,262	156,172	156,144	151,296	153,144
MY Exports	22,115	22,115	22,000	22,500	15,000	15,000
TY Exports	22,115	22,115	22,000	22,500	15,000	15,000
Feed and Residual	57,500	57,100	53,000	52,500	54,500	56,500
FSI Consumption	67,500	68,003	69,500	69,500	69,500	70,000
Total Consumption	125,000	125,103	122,500	122,000	124,000	126,500
Ending Stocks	16,013	16,044	11,672	11,644	12,296	11,644
Total Distribution	163,128	163,262	156,172	156,144	151,296	153,144
1000 HA, 1000 MT, MT/HA						

Barley EU-27	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Jul 2009		Market Year Begin: Jul 2010		Market Year Begin: Jul 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	13,947	13,941	12,523	12,500	12,646	12,500
Beginning Stocks	10,916	10,916	15,405	15,603	7,079	7,553
Production	62,022	62,146	53,124	53,000	52,099	52,000
MY Imports	101	101	150	150	150	100
TY Imports	66	66	150	150	150	100
TY Imp. from U.S.	0	0	0	0	0	0
Total Supply	73,039	73,163	68,679	68,753	59,328	59,653
MY Exports	1,134	1,134	4,600	4,800	1,000	1,500
TY Exports	2,389	2,389	4,000	4,000	1,500	1,500
Feed and Residual	41,500	41,500	42,000	41,200	38,000	38,000
FSI Consumption	15,000	14,926	15,000	15,200	14,500	15,000
Total Consumption	56,500	56,426	57,000	56,400	52,500	53,000
Ending Stocks	15,405	15,603	7,079	7,553	5,828	5,153
Total Distribution	73,039	73,163	68,679	68,753	59,328	59,653
1000 HA, 1000 MT, MT/HA						

Corn EU-27	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Oct 2009		Market Year Begin: Oct 2010		Market Year Begin: Oct 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	8,284	8,284	7,994	8,000	8,591	8,700
Beginning Stocks	6,149	6,149	5,042	5,059	4,909	5,059
Production	57,281	56,948	55,467	55,500	59,288	59,750
MY Imports	2,931	2,931	7,300	7,000	5,000	4,000
TY Imports	2,931	2,931	7,300	7,000	5,000	4,000
TY Imp. from U.S.	132	132	0	0	0	0

<b>Total Supply</b>	66,361	66,028	67,809	67,559	69,197	68,809
<b>MY Exports</b>	1,519	1,519	1,000	1,000	1,000	1,000
<b>TY Exports</b>	1,519	1,519	1,000	1,000	1,000	1,000
<b>Feed and Residual</b>	45,000	44,700	47,100	46,500	49,000	47,000
<b>FSI Consumption</b>	14,800	14,750	14,800	15,000	15,200	15,500
<b>Total Consumption</b>	59,800	59,450	61,900	61,500	64,200	62,500
<b>Ending Stocks</b>	5,042	5,059	4,909	5,059	3,997	5,309
<b>Total Distribution</b>	66,361	66,028	67,809	67,559	69,197	68,809
1000 HA, 1000 MT, MT/HA						

Rye EU-27	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Jul 2009		Market Year Begin: Jul 2010		Market Year Begin: Jul 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
<b>Area Harvested</b>	2,799	2,783	2,588	2,575	2,574	2,550
<b>Beginning Stocks</b>	1,424	1,424	1,926	1,722	774	1,192
<b>Production</b>	9,951	9,929	7,828	7,800	8,226	7,500
<b>MY Imports</b>	0	0	20	20	10	10
<b>TY Imports</b>	6	6	15	20	10	10
<b>TY Imp. from U.S.</b>	0	0	0	0	0	0
<b>Total Supply</b>	11,375	11,353	9,774	9,542	9,010	8,702
<b>MY Exports</b>	99	99	100	100	100	100
<b>TY Exports</b>	136	136	100	100	100	100
<b>Feed and Residual</b>	4,400	4,800	3,900	3,500	3,200	3,000
<b>FSI Consumption</b>	4,950	4,732	5,000	4,750	4,800	4,750
<b>Total Consumption</b>	9,350	9,532	8,900	8,250	8,000	7,750
<b>Ending Stocks</b>	1,926	1,722	774	1,192	910	852
<b>Total Distribution</b>	11,375	11,353	9,774	9,542	9,010	8,702
1000 HA, 1000 MT, MT/HA						

Sorghum EU-27	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Jul 2009		Market Year Begin: Jul 2010		Market Year Begin: Jul 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
<b>Area Harvested</b>	119	19	113	115	132	130
<b>Beginning Stocks</b>	34	34	23	23	40	29
<b>Production</b>	620	620	627	630	722	725
<b>MY Imports</b>	6	6	800	800	100	100
<b>TY Imports</b>	7	7	800	800	100	100
<b>TY Imp. from U.S.</b>	2	2	0	0	0	0
<b>Total Supply</b>	660	660	1,450	1,453	862	854
<b>MY Exports</b>	7	7	5	5	5	5
<b>TY Exports</b>	7	7	5		5	5
<b>Feed and Residual</b>	625	625	1,400	1,409	825	815
<b>FSI Consumption</b>	5	5	5	10	5	10
<b>Total Consumption</b>	630	630	1,405	1,419	830	825
<b>Ending Stocks</b>	23	23	40	29	27	24
<b>Total Distribution</b>	660	660	1,450	1,453	862	854
1000 HA, 1000 MT, MT/HA						

Oats EU-27	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Jul 2009		Market Year Begin: Jul 2010		Market Year Begin: Jul 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
<b>Area Harvested</b>	2,902	2,843	2,739	2,660	2,738	2,650
<b>Beginning Stocks</b>	972	972	1,150	1,013	703	665
<b>Production</b>	8,505	8,453	7,573	7,250	7,573	7,700
<b>MY Imports</b>	2	2	5	2	5	2

<b>TY Imports</b>	2	2	5	2	5	2
<b>TY Imp. from U.S.</b>	0	0	0	0	0	0
<b>Total Supply</b>	9,479	9,427	8,728	8,265	8,281	8,367
<b>MY Exports</b>	229	229	125	100	150	100
<b>TY Exports</b>	216	216	150	100	150	100
<b>Feed and Residual</b>	6,300	6,300	6,100	5,700	5,500	5,850
<b>FSI Consumption</b>	1,800	1,885	1,800	1,800	1,800	1,750
<b>Total Consumption</b>	8,100	8,185	7,900	7,500	7,300	7,600
<b>Ending Stocks</b>	1,150	1,013	703	665	831	667
<b>Total Distribution</b>	9,479	9,427	8,728	8,265	8,281	8,367
1000 HA, 1000 MT, MT/HA						

Mixed Grain EU-27	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Jul 2009		Market Year Begin: Jul 2010		Market Year Begin: Jul 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	4,514	4,693	4,296	4,500	4,232	4,500
Beginning Stocks	1,349	1,349	2,286	2,411	1,592	1,561
Production	16,937	17,462	15,006	15,500	15,461	15,500
MY Imports	0	0	0	0	0	0
TY Imports	0	0	0	0	0	0
TY Imp. from U.S.	0	0	0	0	0	0
Total Supply	18,286	18,811	17,292	17,911	17,053	17,061
MY Exports	0	0	0	0	0	0
TY Exports	0	0	0	0	0	0
Feed and Residual	14,800	15,200	14,500	15,150	14,400	14,700
FSI Consumption	1,200	1,200	1,200	1,200	1,200	1,200
Total Consumption	16,000	16,400	15,700	16,350	15,600	15,900
Ending Stocks	2,286	2,411	1,592	1,561	1,453	1,161
Total Distribution	18,286	18,811	17,292	17,911	17,053	17,061

1000 HA, 1000 MT, MT/HA